

# House File 829 - Introduced

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON ECONOMIC  
GROWTH

(SUCCESSOR TO HSB 266)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the development and commercialization of  
2 businesses in the targeted industry areas of advanced  
3 manufacturing, bioscience, and information technology and  
4 including a contingent effective date provision.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 2726HV 82  
7 tm/gg/14

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1 1 Section 1. NEW SECTION. 15.411 TARGETED INDUSTRIES  
1 2 DEVELOPMENT FUND == FINANCIAL ASSISTANCE.  
1 3 1. A targeted industries development fund is created in  
1 4 the state treasury under the control of the department and  
1 5 consisting of any moneys appropriated by the general assembly  
1 6 and any other moneys available to and obtained or accepted by  
1 7 the department for placement in the fund. The fund shall be  
1 8 used to provide financial assistance under this section.  
1 9 Payments of interest, repayments of moneys loaned pursuant to  
1 10 this section, and recaptures of financial assistance shall be  
1 11 deposited in the fund. Moneys in the fund are not subject to  
1 12 section 8.33. Notwithstanding section 12C.7, interest or  
1 13 earnings on moneys in the fund shall be credited to the fund.  
1 14 2. The department shall provide financial assistance to  
1 15 encourage research and development activities that have a  
1 16 clear potential to lead to commercially viable products or  
1 17 services within a reasonable period of time in the industries  
1 18 of advanced manufacturing, bioscience, and information  
1 19 technology. Financial assistance shall be awarded on a per  
1 20 project basis. A recipient shall not receive financial  
1 21 assistance for more than one hundred fifty thousand dollars.  
1 22 In order to receive financial assistance, an applicant must  
1 23 demonstrate the ability to secure one dollar of nonstate  
1 24 moneys for every two dollars received from the fund.  
1 25 Financial assistance shall be provided from the targeted  
1 26 industries development fund created in subsection 1.  
1 27 3. The department shall provide financial assistance for  
1 28 up to seven initiatives designed to encourage joint research  
1 29 and development work between insurance or financial services  
1 30 companies in the state and information technology and software  
1 31 companies in the state. Financial assistance shall not exceed  
1 32 one hundred thousand dollars per project. In order to receive  
1 33 financial assistance, an applicant must demonstrate the  
1 34 ability to secure two dollars of nonstate moneys for every one  
1 35 dollar received from the fund. Financial assistance shall be  
2 1 awarded to projects that will result in technologies being  
2 2 developed as commercial products for sale by Iowa companies  
2 3 rather than as custom applications for proprietary use by a  
2 4 participating insurance or financial services company.  
2 5 Financial assistance shall be provided from the targeted  
2 6 industries development fund created in subsection 1.  
2 7 4. The department shall provide financial assistance to  
2 8 information technology businesses for purposes of upgrading  
2 9 existing employees skills. Financial assistance shall be  
2 10 provided from the targeted industries development fund created  
2 11 in subsection 1. In order to receive financial assistance, an  
2 12 applicant must demonstrate the ability to secure two dollars  
2 13 of nonstate moneys for every one dollar received from the  
2 14 fund.  
2 15 Sec. 2. NEW SECTION. 15.412 LEAN MANUFACTURING

2 16 INSTITUTE.

2 17 The department of economic development shall establish a  
2 18 lean manufacturing institute for purposes of providing  
2 19 executive level, in-depth training assistance to manufacturing  
2 20 entities in the state. The department of economic development  
2 21 may seek nonstate moneys for purposes of supporting the lean  
2 22 manufacturing institute.

2 23 Sec. 3. NEW SECTION. 15.413 STATEWIDE COMMERCIALIZATION  
2 24 DEVELOPMENT SERVICES ENTITY.

2 25 The department shall contract with a provider for services  
2 26 related to statewide commercialization development in the  
2 27 industries of advanced manufacturing, bioscience, and  
2 28 information technology. The services provided by the provider  
2 29 shall include all of the following:

2 30 1. Assistance provided directly to businesses by  
2 31 experienced serial entrepreneurs for all of the following  
2 32 activities:

2 33 a. Business plan development.

2 34 b. Due diligence.

2 35 c. Market assessments.

3 1 d. Technology assessments.

3 2 e. Other planning activities.

3 3 2. Operation and coordination of various available  
3 4 competitive seed and prototype development funds.

3 5 3. Connecting businesses to private angel investors and  
3 6 the venture capital community.

3 7 4. Assistance in obtaining access to an experienced pool  
3 8 of managers and operations talent that can staff, mentor, or  
3 9 advise start-up enterprises.

3 10 5. Support and advice for accessing sources of early stage  
3 11 financing.

3 12 Sec. 4. NEW SECTION. 15.414 TARGETED INDUSTRIES  
3 13 INTERNSHIP PROGRAM == FINANCIAL ASSISTANCE.

3 14 The department shall establish and administer a targeted  
3 15 industries internship program. A community college, private  
3 16 college, or an institution of higher learning under the  
3 17 control of the state board of regents and an employer may  
3 18 enter into an agreement for purposes of providing internship  
3 19 opportunities to students of the community college or  
3 20 university. Upon entering into such an agreement, the  
3 21 employer may apply to the department for financial assistance.  
3 22 An employer may receive financial assistance in an amount of  
3 23 one dollar for every one dollar spent by the employer. An  
3 24 employer shall not receive financial assistance of more than  
3 25 three thousand one hundred dollars per student. In order to  
3 26 be eligible to receive moneys under this section, the employer  
3 27 must have five hundred or fewer employees and must be engaged  
3 28 in an advanced manufacturing, bioscience, or information  
3 29 technology industry.

3 30 Sec. 5. NEW SECTION. 15.415 MATH AND SCIENCE EDUCATOR  
3 31 STIPENDS.

3 32 Each fiscal year, a public or private secondary school may  
3 33 apply to the department for a one hundred fifty dollar per day  
3 34 stipend, not to exceed seven hundred fifty dollars, to pay a  
3 35 teacher at the school for attending an educational workshop  
4 1 designed to enhance the ability of the teacher to incorporate  
4 2 math and science in the daily instruction of students.

4 3 Sec. 6. NEW SECTION. 15.416 RULES.

4 4 The board shall adopt rules pursuant to chapter 17A  
4 5 necessary for the administration of this part.

4 6 Sec. 7. Section 262B.22, Code 2007, is repealed.

4 7 Sec. 8. STATEWIDE SUPPLIER CAPACITY AND PRODUCT DATABASE.

4 8 The department of economic development shall contract with a  
4 9 third party to create a statewide supplier capacity and  
4 10 product database to assist the department in linking suppliers  
4 11 to Iowa-based advanced manufacturing companies. The  
4 12 department shall select the third party through a request for  
4 13 proposals process.

4 14 Sec. 9. CONTINGENT EFFECTIVE DATE. This Act shall take  
4 15 effect when moneys appropriated to the department of economic  
4 16 development are deposited in the targeted industries  
4 17 development fund. The department shall notify the Code editor  
4 18 regarding the date of the deposit.

4 19 EXPLANATION

4 20 This bill relates to the development and commercialization  
4 21 of businesses in the targeted industry areas of advanced  
4 22 manufacturing, bioscience, and information technology.

4 23 The bill creates a targeted industries development fund in  
4 24 the state treasury.

4 25 The bill requires the department of economic development to  
4 26 provide financial assistance from the targeted industries

4 27 development fund to encourage research and development  
4 28 activities that have a clear potential to lead to commercially  
4 29 viable products or services within a reasonable period of time  
4 30 in the industries of advanced manufacturing, bioscience, and  
4 31 information technology. The bill provides that financial  
4 32 assistance shall be awarded on a per project basis and a  
4 33 recipient shall not receive financial assistance of more than  
4 34 \$150,000. The bill provides that, in order to receive  
4 35 financial assistance, an applicant must demonstrate the  
5 1 ability to secure \$1 of nonstate moneys for every \$2 received  
5 2 from the fund.

5 3 The bill requires the department to provide financial  
5 4 assistance from the targeted industries development fund for  
5 5 up to seven initiatives designed to encourage joint research  
5 6 and development work between insurance or financial services  
5 7 companies in the state and information technology and software  
5 8 companies in the state. The bill provides that financial  
5 9 assistance shall not exceed \$100,000 per project. The bill  
5 10 provides that, in order to receive financial assistance, an  
5 11 applicant must demonstrate the ability to secure \$2 of  
5 12 nonstate moneys for every \$1 received from the fund. The bill  
5 13 provides that financial assistance shall be awarded to  
5 14 projects that will result in technologies being developed as  
5 15 commercial products for sale by Iowa companies rather than as  
5 16 custom applications for proprietary use by a participating  
5 17 insurance or financial services company.

5 18 The bill requires the department to provide financial  
5 19 assistance from the targeted industries development fund to  
5 20 information technology businesses for purposes of upgrading  
5 21 existing employees' skills. The bill requires an applicant to  
5 22 demonstrate the ability to secure \$2 of nonstate moneys for  
5 23 every \$1 received from the fund.

5 24 The bill requires the department of economic development to  
5 25 establish a lean manufacturing institute for purposes of  
5 26 providing executive level, in-depth training assistance to  
5 27 manufacturing entities in the state. The bill allows the  
5 28 department of economic development to seek nonstate moneys for  
5 29 purposes of supporting a lean manufacturing institute.

5 30 The bill requires the department of economic development to  
5 31 contract with a provider for services related to statewide  
5 32 commercialization development in the industries of advanced  
5 33 manufacturing, bioscience, and information technology. The  
5 34 services provided by the provider shall include assistance  
5 35 provided directly to businesses by experienced serial  
6 1 entrepreneurs, operation and coordination of various available  
6 2 competitive seed and prototype development funds, connecting  
6 3 businesses to private angel investors and the venture capital  
6 4 community, assistance in obtaining access to an experienced  
6 5 pool of managers and operations talent that can staff, mentor,  
6 6 or advise start-up enterprises, and support and advice for  
6 7 accessing sources of early stage financing.

6 8 The bill requires the department to establish and  
6 9 administer a targeted industries internship program. The bill  
6 10 allows a community college, private college, or an institution  
6 11 of higher learning under the control of the state board of  
6 12 regents and an employer to enter into an agreement for  
6 13 purposes of providing internship opportunities to students of  
6 14 the community college or university. The bill allows an  
6 15 employer in such an agreement to apply to the department for  
6 16 financial assistance on a per student basis. The bill  
6 17 provides that, in order to be eligible to receive financial  
6 18 assistance, the employer must have 500 or fewer employees and  
6 19 must be engaged in an advanced manufacturing, bioscience, or  
6 20 information technology industry.

6 21 The bill allows a public or private secondary school to  
6 22 apply each fiscal year to the department for a \$150 per day  
6 23 stipend, not to exceed \$750, to pay a teacher at the school  
6 24 for attending an educational workshop designed to enhance the  
6 25 ability of the teacher to incorporate math and science in the  
6 26 daily instruction of students.

6 27 The bill repeals Code section 262B.22 relating to a  
6 28 technology and commercialization resource organization. This  
6 29 provision was enacted in 2006.

6 30 The bill requires the department to contract with a third  
6 31 party to create a statewide supplier capacity and product  
6 32 database to assist the department in linking suppliers to  
6 33 Iowa-based advanced manufacturing companies.

6 34 The bill takes effect when moneys appropriated to the  
6 35 department of economic development are deposited in the  
7 1 targeted industries development fund.

